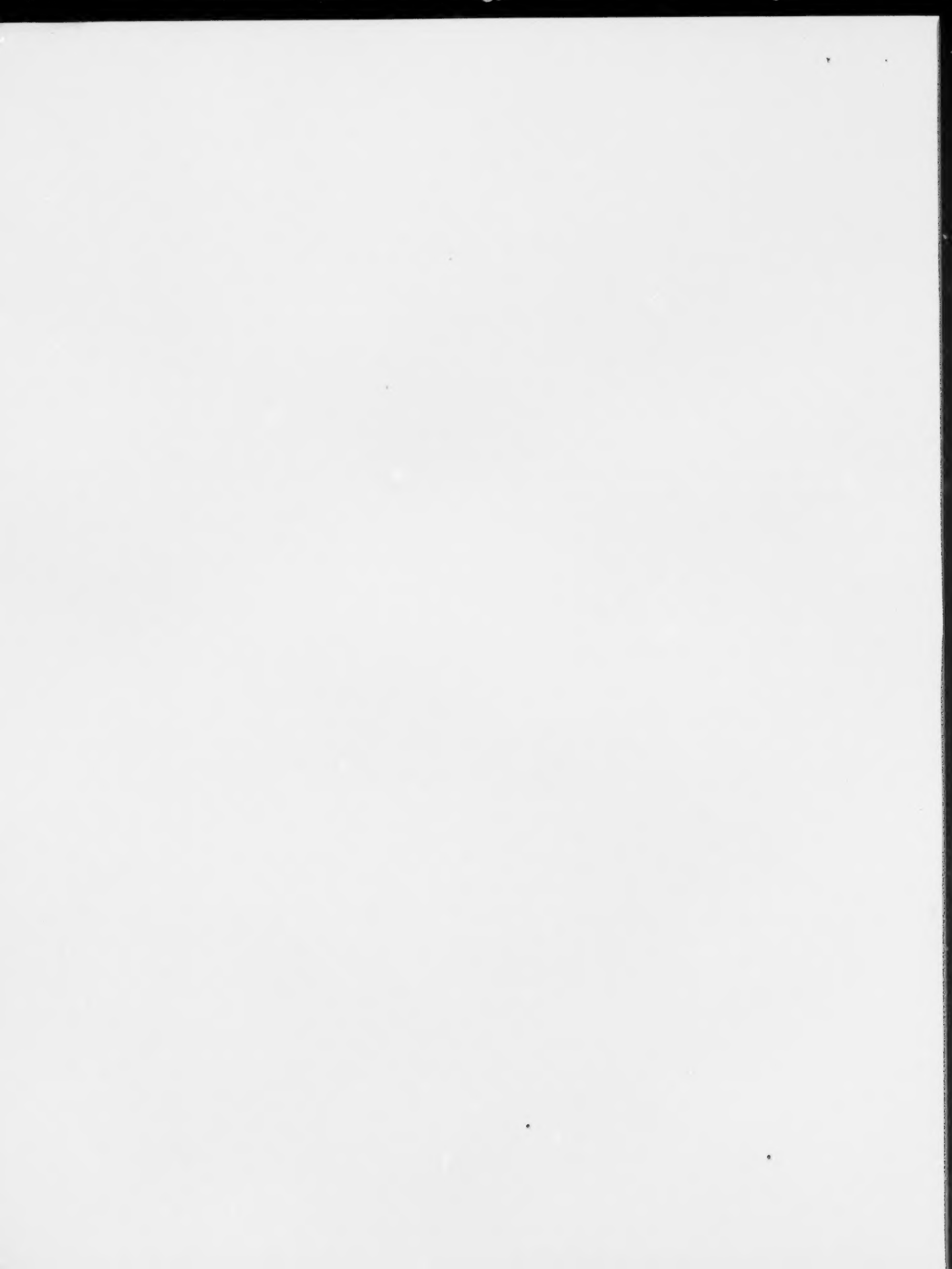


TRANSPORTATION PARTNERSHIPS FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2008





SASKATCHEWAN

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Transportation Partnerships Fund as at March 31, 2008 and the statements of revenue, expenses, and changes in net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Transportation Partnerships Fund as at March 31, 2008 and the results of its operations, the changes in net assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 3, 2008

Fred Wendel, CMA, CA
Provincial Auditor

TRANSPORTATION PARTNERSHIPS FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	<u>2008</u>	<u>2007</u>
Assets		
Current Assets:		
Due from General Revenue Fund (Note 3)	\$ 9,837,007	\$ 9,265,818
Accounts Receivable	<u>1,678,506</u>	<u>1,336,159</u>
	\$ 11,515,513	\$ 10,601,977
Long Term Assets:		
Loans Receivable Less Concessionary Allowance (Note 5)	<u>803,399</u>	<u>750,342</u>
	<u>\$ 12,318,912</u>	<u>\$ 11,352,319</u>
Liabilities and net assets		
Current Liabilities:		
Accounts Payable and Accrued Liability	\$ 90,492	\$ 150,596
Deferred Revenue	<u>20,845</u>	<u>17,429</u>
Net Assets (Statement 2)	<u>\$ 12,207,575</u>	<u>\$ 11,184,294</u>

(See accompanying notes to financial statements)

TRANSPORTATION PARTNERSHIPS FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
For The Year Ending March 31

	2008 Budget	2008 Actual	2007 Actual
Revenue			
Transportation Partnerships Agreements	\$ 2,600,000	\$ 6,160,759	\$ 4,668,574
Interest Revenue (Note 3)	231,250	399,917	266,472
Amortization of Loan Discount (Note 5)	43,079	42,391	43,366
Transfer from Ministry of Energy & Resources	-	-	1,219,794
Other Revenue	29,000	59,552	41,930
Total Revenue	\$ 2,903,329	\$ 6,662,619	\$ 6,240,136
Expenses			
Highway Improvement Projects (Note 4)	\$ 5,973,000	\$ 5,487,189	\$ 2,033,713
General Transfers	45,000	77,401	41,798
Technology Manufacturing Costs	12,000	24,748	13,966
Administrative Expenses (Note 4)	50,000	50,000	50,000
Total Expense	\$ 6,080,000	\$ 5,639,338	\$ 2,139,477
Surplus (deficit) for the year	\$ (3,176,671)	\$ 1,023,281	\$ 4,100,659
Net Assets, beginning of year	11,184,294	11,184,294	7,083,635
Net Assets, end of year (Statement 1)	\$ 8,007,623	\$ 12,207,575	\$ 11,184,294

(See accompanying notes to financial statements)

TRANSPORTATION PARTNERSHIPS FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	<u>2008</u>	<u>2007</u>
Cash flows from (Used in) operating activities:		
Cash Receipts From Transportation Companies	\$ 5,823,790	\$ 6,378,988
Cash Receipts From Other Revenue	59,552	22,250
Cash Receipts From Short-Line Railways	73,333	2,252
Interest Received	394,539	217,755
Transfer from Ministry of Energy & Resources	-	1,219,794
Cash Paid For Highway Improvement Projects	(5,543,877)	(1,889,469)
Cash Paid For Manufacturing Costs	(24,748)	(13,966)
Cash Loans Paid to Short-Line Railway	(128,000)	-
Cash General Transfers	(33,400)	(41,798)
Cash Paid For Administration	(50,000)	(50,000)
	<hr/>	<hr/>
Net increase in cash	571,189	5,845,806
Due From General Revenue Fund, beginning of year	9,265,818	3,420,012
	<hr/>	<hr/>
Due From General Revenue Fund, end of year	\$ 9,837,007	\$ 9,265,818
	<hr/>	<hr/>

(See accompanying notes to financial statements)



TRANSPORTATION PARTNERSHIPS FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2008

1. Authority and Definition of Entity

The Transportation Partnerships Fund was established effective July 1, 1997 pursuant to Section 8 of *The Highways and Transportation Act, 1997*. The purpose of the Fund is to generate revenues to be used for highway improvement projects. The Transportation Partnerships Fund generates revenues subject to the terms of trucking partnership agreements, in which the transportation companies pay the Fund a portion of cost savings achieved from being able to haul overweight and/or over dimension loads. Additional revenues are raised through the marketing of transportation related technology and expertise.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board. The following accounting principles are considered significant:

- a) Revenue recognition –
 - I. Transportation Partnerships Agreement revenue - recognized in the period the truck haul savings are realized.
 - II. Transfers are recognized as revenue when the Fund has met the eligibility criteria, if any, and a reasonable estimate of the amount can be made.
- b) Use of estimates –

These statements are prepared in conformity with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Due from General Revenue Fund

The monies of the Transportation Partnerships Fund are deposited in the General Revenue Fund. Under this arrangement, earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty day borrowing rate and the Transportation Partnerships Fund's average daily bank account balance. The effective interest in the year was 4.08% (2007 – 4.15%).

4. Related Party Transactions

All Government of Saskatchewan agencies such as ministries, corporations, boards and commissions are related as they are controlled by the Government. These financial statements include transactions with other Government agencies. These transactions

are in the normal course of operations and are recorded at agreed upon exchange amounts.

During the year, the Fund was charged \$50,000 (2007- \$50,000) by the Ministry of Highways and Infrastructure for salary and administrative expenses.

Transportation Partnerships Agreement Revenues include \$343,862 (2007 - \$138,108), from SaskPower, pursuant to a transportation partnership agreement between the Fund and SaskPower. At year-end SaskPower owed the Fund \$178,568 (2007 - \$32,183).

Highway improvement projects undertaken by the Fund are repairs and betterments to assets of the Ministry of Highways and Infrastructure. Projects of a capital nature are transferred by the Fund to the Ministry. The Ministry records and amortizes these assets based on Ministry capitalization policies and thresholds.

5. Loans Receivable

The Fund provided loans of \$128,000 in 2008 (2007 loans - \$0; Total loans advanced to date - \$1.128 million) in financial assistance to an eligible Short Line Railway company under *The Railway Line (Short Line) Financial Assistance Regulations*. The loans are interest free and to be paid back over 15 years, with the first repayment due in the fourth year.

The loans are accounted for as a discounted loan on the Statement of Financial Position. Due to the concessionary nature of the loan, the Fund recognized a discount of \$44,001 in 2008 (2007 - \$0) as the grant portion of the total loan advanced based on an interest rate of 4.67% in 2008. A concessionary allowance has been recorded which will be amortized to revenue over the term of the loan. Total concessionary allowance balance is \$251,268 in 2008 (2007 - \$249,658).

No valuation allowance was established in the current year. An allowance will be recorded if at any point the loan is not considered payable in full.

6. Comparative Figures

Certain 2007 financial statement balances have been reclassified to conform with the presentation of the 2008 figures.

